

## ROLL CALL

### NATURAL RESOURCES

[illegible]



## SENATE STANDING COMMITTEE REPORT

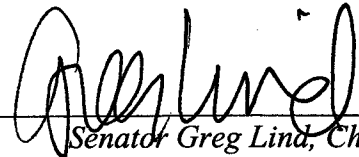
January 22, 2007

Page 1 of 1

Mr. President:

We, your committee on **Natural Resources and Energy** recommend that **Senate Bill 200** (first reading copy -- white) **do pass**.

Signed: \_\_\_\_\_

  
Senator Greg Lind, Chair

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required ☒



140932SC.spb

## SENATE PROXY FORM

According to Senate Rule 30-70 ( 13 ) ( f ) , a committee member may vote by proxy using a standard form.

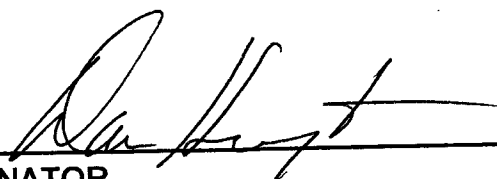
### PROXY VOTE

I, the undersigned, hereby authorize Senator Wangerried

to vote my proxy on any issue before the Senate NATURAL RESOURCES

SB 200 Committee

held on 19 OCTOBER, 2007.

  
SENATOR  
STATE OF MONTANA

**AUTHORIZED  
COMMITTEE PROXY**

I request to be excused from the NATURAL RESOURCES + ENERGY

Committee because of other commitments. I desire to leave my proxy vote with:

 DAVE WENZEL

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

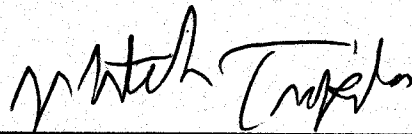
AYE NO

<del>SB 3</del>		X
<del>SB 26</del>		X
SB 200	X	

BILL/AMENDMENT

AYE NO


Rep.



(Signature)

Date

1-19-07

[REDACTED]

**MONTANA STATE SENATE  
2007 LEGISLATURE**

**VISITOR REGISTER**

**NATURAL RESOURCES AND ENERGY**

DATE 1-19-07

BILLS BEING HEARD TODAY SB 24, 248

**PLEASE PRINT**

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Kathy McAllister	329-3311	USFS	SB 248	X	
Eric Johnson	329-3164	USFS	SB 248	X	
Jody Miller	329-3069	USDA - OGC	SB 248	X	
Stan Jones	444-1270	DNRC - RWRC	SB 248	X	
Craig Osterman	277-3278	TREASURY STATE Alliance	SB 24		X
Tony Brown	543-7385	Oneida Marine	SB 24		X
Tony McArdle	266-5100	Townsend Marine	SB 24		X
CHRIS MANTHOS	703-421-2353	American Watercraft Assoc.	SB 24		X
TIM RAVNDAL	439-5860	MMUA	SB 24		X
Don Gingsberg	439-7323	Oneida Marine	SB 24		X
STEVE PILCHER	459-4128	MT Stock Growers	SB 248	X	
Mike Murphy	235-4555	MT WATER RES. ASSN	SB 248	X	
Bill Woods	541-1700	PERSONAL INTEREST	SB 24	X	
Faye Bergan	444-6733	RWRC	SB 248	X	
Bob Gilbert	439-1939	Waller's (W) in T.J.	SB 24		X
Ronda Wagers	899-5659	MT Snowmobile Assoc	SB 24		X
Jim Brown	222-3571	MSA	SB 24		X
Rodger Larson		MTVRA	SB 24		X
Roger Hagen	459-0773	MTVRA	SB 24		X
Charles Beuk	698-2298	Sigschnumber	SB 24		X
Mike Koopa	892-9361	Whitefish Lake Institute	SB 24	X	

**PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY**

# VISITOR REGISTER

DATE 1-19-07

**BILLS BEING HEARD TODAY** SB 24, 248

[illegible]

**PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY**



P.O. Box 21852  
Billings, Mont. 59104

Senate Natural Resources and Energy Committee  
2007 Montana Legislature  
Helena, Montana  
January 15, 2007

Dear Senators,

We are writing on behalf of the executive board and membership of **WALLEYES FOREVER**, a fishing club based in Billings with a rapidly growing statewide membership, to tell you that we **STRONGLY OPPOSE SENATE BILL 24** and feel it should be killed immediately. No amending will save it.

As the Fiscal Note states, "Industry experts predict 2-stroke marine engines to be phased out of the new sales market by 2009." Montana dealers are already selling heavily to four-stroke and fuel-injected two-stroke motors as the technology changes and these cleaner motors become more readily available.

All this bill would do is work a hardship on Montana residents as they seek to upgrade to these cleaner motors and send their dollars out of state to sell old motors and buy new ones. It would send game wardens on garage sale circuits and through the classified ads to see if carbureted two-stroke motors were being bought and sold. And it would turn innocent citizens into violators facing \$1,000 fines – both the buyer and the seller – because of their lack of knowledge of outboard motor technology.

The U.S. EPA has already adopted standards to clean up the outboard motor and jet-ski emissions to provide cleaner waters into the future. We should simply allow that to happen. While we certainly applaud Sen. Weinberg's concerns for our clean water, his bill isn't the way to accomplish that goal – not if it's being done on the backs of innocent Montana citizens and by damaging Montana boat and motor dealers.

Sincerely,

Nathan McClenning, President  
Jerry Richardson, Vice-President  
Carol Henckel, Secretary  
Linda Granholm, Treasurer  
Walleyes Forever

**Walleyes Forever: Making Montana a better place for all fish and for fishermen of all ages**





National Marine  
Manufacturers Association

January 19, 2007

The Honorable Greg Lind  
Chairman  
Natural Resources and Energy Committee  
Montana State Senate  
P.O. Box 201706  
Helena, MT 59620-1706

Dear Chairman Lind:

I am writing to express the opposition of the National Marine Manufacturers Association (NMMA) to Senate Bill S.B. 24, which would ban the sale of carbureted two-stroke marine engines.

By way of introduction, NMMA is the nation's largest recreational marine industry association, representing more than 1,600 boat builders, engine manufacturers, and marine accessory manufacturers. NMMA members collectively produce more than 80 percent of all recreational marine products made in the United States. Recreational boating is a popular American pastime, with almost 71 million boaters nationwide and over 13 million registered boats, with sales of \$37 billion in 2005.

While NMMA supports the goal of S.B. 24 to promote the use of direct fuel-injected or electronically fuel-injected two-stroke engines, its ban on the sale and resale of carbureted two-stroke marine engines in Montana may have unintended negative consequences.

S.B. 24 will give the owners of Montana's 70,616 registered vessels a financial incentive to retain their carbureted engines, thus slowing their transition to low-pollution marine engine technology. Person-to-person used boat sales represent 71 percent of all boat sales in the U.S. Banning the resale of carbureted two-stroke engines and vessels powered by them would dramatically decrease resale values, as the only available buyers would be out-of-state buyers or to those few state residents who will only use the boat out-of-state. A severely depreciated resale price would increase the cost of buying a new engine, thus giving boat owners a financial incentive to continue to hold on to their carbureted engines. S.B. 24 would therefore slow down, not promote, the transition of boaters to new technology.

The transition to four-stroke and direct injected two-stroke engines to meet the requirements of the federal EPA's 2008 emissions standards is occurring at an extremely rapid rate, more rapidly than federal EPA regulations require. Sales of these newer cleaner-running models long ago eclipsed sales of conventional, carbureted two-stroke engines. This technology turnover has been sped along by educational and promotional partnerships between the marine industry and state governments. (Please see the attached description of the successful program in place in the northeastern United States).

Executive Committee  
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George Bellweather  
PEPCO, Inc.

Vice Chairman, NMMA  
Chuck Rouse  
Indmar  
Secretary, NMMA  
Mary O'Donohue  
Marine

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Tara Yachts  
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EMD Representative  
J.J. Mac's  
Boats of North America  
EMD Representative  
Jim Hubbard  
Mercury Marine

AVD Representative  
Rick Russell  
Anderson Marine  
President  
Thomas J. Dammrich  
NMMA

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202.717.5750 Fax 202.636.0716  
www.nmma.org

Senator Greg Lind  
Page 2

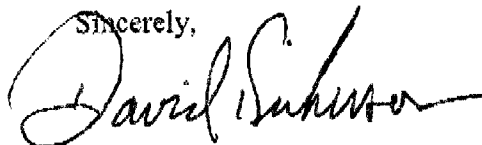
Because S.B. 24 would impose prohibitory requirements upon recreational boaters and boat consumers, it is important to fully consider the magnitude of those who would be impacted. The boating industry in Montana is strong and growing. According to U.S. Coast Guard statistics, 70,616 boats were registered in the state in 2005, a 19.1 percent increase over 2004. Of this total, 69,020 were boats less than 26 feet in length.

With respect to the boating industry itself, Montana has 11 active boat builders with 11 manufacturing facilities, contributing more than 165 directly-relating manufacturing jobs to the state economy. Montanans spent \$69,802,000 on new powerboat, motor, trailer and marine accessories in 2005, an increase of more than \$10 million over 2003. This increase reflects a positive trend in which boaters are spending more on higher quality and environmentally efficient boats, engines and boat products, such as cleaner and quieter marine engine technologies.

Montana accommodates its boating population with approximately 26 active marinas statewide and some 1,135 boat slips. Recreational boating in the state has significant multiplier effects for non-boat industry businesses, including grocery stores, convenience stores, restaurants and hospitality services, lodging and camping facilities, and gas stations. Other economic spending associated with recreational boating includes annual craft spending for boat and engine maintenance and boat insurance.

I ask that you oppose S.B. 26 and allow the marketplace to continue to do its work, supported by a public-private partnership similar to the initiative in place in the northeastern United States.

Sincerely,



David Dickerson  
State Government Relations Director



National Marine  
Manufacturers Association

Although the California Air Resources Board (CARB)<sup>[1]</sup> elected to pursue a command-and-control approach which placed more stringent regulations<sup>[2]</sup> on the marine industry than had EPA in 1996, several state environmental agencies chose a different tack and implemented cooperative programs with the marine industry that have proved immensely successful. For example, the New Hampshire Department of Environmental Services (DES) in 2000 approached the New Hampshire Marine Trades Association (NHMTA), a local marine trade group which includes marine engine dealers, to form a partnership designed to encourage boating consumers to purchase and use low-pollution two- and four-stroke marine engines through a statewide education and outreach campaign.<sup>[3]</sup> The New Hampshire boating industry responded enthusiastically—NHMTA signed a Memorandum of Understanding (MOU) with the state environmental agency in February of 2000 and nearly 40 marine retailers in the state had signed onto the agreement by 2002. Through the program, New Hampshire marine dealers agreed to immediately encourage customers to buy low-pollution engines and report sales totals back to DES in order to evaluate the success of the program. As a result of the program, participating dealers "met the New Hampshire program's goal for 2001 of having clean engines comprise 75 percent of all new engine sales, well ahead of the schedule required by EPA regulations. The program has set a goal of 90 percent for 2002 through 2005," and is well on track.<sup>[4]</sup>

The program in New Hampshire turned out to have a lasting impact beyond the state's borders. In early 2002, the National Marine Manufacturers Association (NMMA) joined EPA and other national partners in celebrating the success of the New Hampshire program and with that backdrop embarked on a program to expand the initiative to the entire New England region. Out of the New Hampshire program was born the New England Clean Marine Engine Initiative.<sup>[5]</sup> This cooperative effort, also known as the "Get on Board Initiative," was designed "to accelerate the sale of low-pollution two- and four-stroke marine engines which emit substantially less pollution than conventional marine engines."<sup>[6]</sup> The New England agreement, formalized in a Memorandum of Understanding (MOU) between NMMA and other parties, includes Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont, and ten Tribal Nations. NMMA signed a similar accord with the state of Wisconsin in 2001, an important development since that state is home to both Mercury Marine and Bombardier Recreational Products (BRP), two major engine manufacturers. In addition, NMMA signed clean engine MOUs with appropriate state agencies in Oregon and Florida in 2002 and with New Jersey in 2003. In 2000, NMMA's Canadian affiliate, the Canadian Marine Manufacturers Association (CMMMA), signed an MOU with Environment Canada, the

<sup>[1]</sup> California is the only state in the nation which has the authority to pursue more rigorous clean air regulations than the U.S. Environmental Protection Agency. Such regulations are promulgated through the California Air Resources Board.

<sup>[2]</sup> CARB regulations require marine engine manufacturers to reduce HC emissions by 75 percent on 2001 models and by 90 percent on 2008 models.

<sup>[3]</sup> See New Hampshire Department of Environmental Services, Clean Marine Engine Initiative, at [http://www.des.state.nh.us/ard/marine\\_engines.htm](http://www.des.state.nh.us/ard/marine_engines.htm).

<sup>[4]</sup> Press Release, U.S. Environmental Protection Agency, EPA and National Marine Industry Associations Celebrate New Hampshire Initiative for Cleaner Small Boat Engines (March 27, 2002), at <http://www.epa.gov/ncr/2002/mar/020319.html>.

<sup>[5]</sup> See U.S. Environmental Protection Agency, New England Clean Marine Engine Initiative, at <http://www.epa.gov/ncr/assistance/cmef/index.html>.

<sup>[6]</sup> U.S. EPA, *supra* note 26.

Executive Committee  
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PERKO, Inc.

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Chuck Rowe  
Indmar

Secretary, NMMA  
Marty O'Connell  
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National Marine  
Manufacturers Association

federal environmental agency, designed to "fast track the early introduction of cleaner engines" in that nation.<sup>[7]</sup>

There is no question that these efforts have hastened the introduction of these new-technology, low emissions engines into these markets and had a demonstrable impact on consumer purchasing. Indeed, statistics released in July of 2005 by the New England Office of the EPA, which runs the Get on Board Initiative, verify the success of that program. "About four-fifths of the outboard motors and watercraft engines sold in New England in the last three years by participating retailers were low pollution models," according to EPA. These cleaner engines "help meet EPA low-pollution requirements by reducing air pollution by 75 percent or more, lowering gasoline discharges to the water, improving fuel efficiency by 35 to 50 percent, and using up to 50 percent less oil."<sup>[8]</sup>

<sup>[7]</sup> Press Release, Environment Canada, Environment Canada and the Canadian Marine Manufacturing [sic] Association Fast Track the Introduction of Cleaner Engines in Canada (Jan. 17, 2000), at [http://www.ec.gc.ca/press/cmna\\_n\\_s.htm](http://www.ec.gc.ca/press/cmna_n_s.htm).

<sup>[8]</sup> Press Release, U.S. Environmental Protection Agency, EPA Efforts to Promote Clean Marine Engines Paying Off—Most of New England's Marine Engine Sales Are Lower Polluting Models (July 13, 2005), at <http://www.epa.gov/nc/pr/2005/jul/sr050707.html>.

**Executive Committee**

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PERKO, Inc.

**Vice Chairman, NMMA**

Chuck Rowe

Inmar

**Secretary, NMMA**

Marty O'Donoghue  
Merico

**Treasurer, NMMA**

David Richards

Yamaha

**Member At-Large**

Kris Cornell  
Grady-White Boats

**EMO Representative:**

J. J. Mare

20-Sea of North America

**EMD Representative:**

Jim Hubbard  
Marquy Marine

**AMP Representative:**

Rick Russell

Anderson Marine

**President:**

Thomas J. Dammdah  
NMMA

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Personal Watercraft  
Industry Association

Senator Greg Lind  
Chairman  
Senate Natural Resources Committee  
P.O. Box 201706  
Helena, MT 59620-1706

January 19, 2006

Dear Senator Lind:

On behalf of the Personal Watercraft Industry Association (PWIA), I would like to take this opportunity to offer our opposition to **SB 24**, legislation which would prohibit the sale of two-stroke engines. While the majority of today's four-stroke, fuel injected personal watercraft (PWC) may be affected, this would have a negative impact on the re-sale market.

The Personal Watercraft Industry Association (PWIA) is the national trade association representing the four major manufacturers of personal watercraft (PWC): BRP (Bombardier Recreational Products), Honda, Kawasaki, and Yamaha. As an affiliate of the National Marine Manufacturers Association, PWIA is a leading promoter of boating safety efforts and environmentally friendly technologies in the recreational boating industry. The industry has worked to ensure that millions of Americans can safely enjoy a favorite outdoor pastime with minimal effect on the environment.

Personal watercraft (PWC) sales are part of a recreational boating industry that is strong and growing. Dollar sales for new boats and motors in 2005 increased 8% from 2004, totaling \$14.7 billion. Used boat sales also represent a substantial component of the overall market, with more than one million pre-owned boats sold in 2005 with \$9.1 billion in total sales. In addition to boat and motor sales, the aftermarket accessory market has nearly doubled over the past eight years, increasing from \$1.2 billion in 1997 to \$2.9 billion in 2005.

The passage of **SB 24** would have a significant negative impact on dealers in the state who sell new and used PWCs. The bill could negate the ability of dealers to accept trade-ins used towards the purchase of a new PWC. In fact, this may slow the process of consumers purchasing newer, more environmentally friendly PWC.

Again, we urge you to oppose **SB 24**.

Sincerely,

Maureen Healey,  
Executive Director

Cc: Members of the Senate Natural Resources Committee

444 North Capitol Street, NW, Suite 645  
Washington, D.C. 20031  
202.737.9700 Fax 202.879.4216  
pwia.org

MONTANA STATE SENATE  
2007 LEGISLATURE

WITNESS STATEMENT

NAME Terry McArdle  
ADDRESS 7812 Highway 287 South Townsend, MT  
HOME PHONE 461-5128 WORK PHONE 266-5700  
REPRESENTING Townsend Marine  
APPEARING ON WHICH PROPOSAL SB 24  
DO YOU: SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

COMMENTS:

Will speak  
also - have written copy

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MONTANA STATE SENATE  
2007 LEGISLATURE

WITNESS STATEMENT

*TIM RAVNDAL*  
NAME Montana Multiple Use ASSN  
ADDRESS P.O. BOX 287  
HOME PHONE \_\_\_\_\_ WORK PHONE 439-5860  
REPRESENTING Membership  
APPEARING ON WHICH PROPOSAL SB-24  
DO YOU: SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

COMMENTS:

We Rise in opposition  
to this Bill for the following  
Reasons.  
1. Proof of ownership of  
existing outboards will be  
near impossible to prove in many  
cases.  
2. Intrastate Commerce of  
2 stroke engines will be made  
illegal.  
3. Interstate Commerce will  
be adversely affected with no  
avenue for mitigation.  
4. Cumulative effects of this  
Bill to business and many all  
communities across Montana are  
severe.

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

Please Sink this Bill.

MONTANA STATE SENATE  
2007 LEGISLATURE

1/19/07

WITNESS STATEMENT

NAME Tony Croonenberghs  
ADDRESS 3614 Mt Hwy 200 E. Mula Mt 59802  
HOME PHONE 3279998 WORK PHONE 5437385  
REPRESENTING Anchor Marine  
APPEARING ON WHICH PROPOSAL SB-24  
DO YOU: SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

COMMENTS:

The EPA has already regulated  
for cleaner motors. This bill is even  
more restrictive than those of California.  
It would stop 75 to 90% of my customers  
from using their boats. Which in turn  
would bankrupt my store.

N  
Tony Croonenberghs

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY